



City of Milwaukee

Meeting Minutes

MILWAUKEE HOUSING TRUST FUND OPERATIONAL CRITERIA SUBCOMMITTEE

BETHANY SANCHEZ, CHAIR

Tom Capp, Vice-Chair

Heather Dummer Combs, Rocky Marcoux, Tony Perez and Brian Peters

Staff Assistant, Linda Elmer, (414)-286-2232

Fax: 286-3456; E-mail: lelmer@milwaukee.gov

File Specialist, Charlotte Rodriguez, 286-8797; E-mail: crodri@milwaukee.gov

Thursday, May 4, 2006

9:00 AM

Room 301-G, City Hall

Meeting convened: 9:08 A.M.

1. Roll call

Members present: Bethany Sanchez, Tony Perez (Bobbi Marsells), Tom Capp, Heather Dummer Combs, Brian Peters and Una Van Duvall (Designee for Rocky Marcoux) (Tony Perez joined the committee and replaced Ms. Marsells)

Also present: Antonio Riley and David Luedcke - Wisconsin Housing and Economic Development Authority (WHEDA), Marianne Walsh, Jeff Osterman and Emma Stamps - Legislative Reference Bureau, Gary Werra - Community Block Grant Administration and Judy Allen - Dept. of City Development

The meeting was moved to Room 301-A as it became available.

2. Approval of the minutes of the April 13th meeting

Ms. Marsells moved, seconded by Mr. Capp, for approval of the minutes. There were no objections.

3. Eligible uses and affordability terms

Antonio Riley and David Luedcke from the Wisconsin Housing and Economic Development Authority (WHEDA) appeared to speak before the Committee. Milwaukee began getting into the tax credit business in the 1990s, but the bulk of projects in Milwaukee have 30-year affordability runs, so the city does not face a crisis in the near future. There is a \$10 million investment state-wide to rehab properties, Saving our Stock (SOS), with 54 properties in the City of Milwaukee. The state has the highest set-aside of any state in the country. WHEDA has been deploying resources early to preserve housing stock. County-wide, WHEDA has done \$4.1 million in tax credits, with credits going where the need is greatest and quality projects are being offered. Development costs have been increasing substantially over the past couple of years - in 2003, the cost was \$125,000 per unit and in 2005, it was \$152,000 per unit (these calculations include both new construction and rehab projects). WHEDA has been working on spreading the credit dollars among a greater number of projects by decreasing the amounts that are available for individual projects, from \$825,000 in 2003 to \$750,000 per development in 2006. In 2006, WHEDA received 58 applications, with 30 of them

moving forward. Ideally, WHEDA would like to work with the developers who did not receive the 9% credits to see if they could be funded by 4% credits, which are more widely available.

Mr. Luedcke handed out Exhibit 1, which notes the funding gaps between 9% and 4% credits. Mr. Luedcke noted that a trust fund would be helpful in funding this financing gap.

Mr. Capp brought copies of a funded project (Exhibit 2) and an unfunded project (Exhibit 3).

Mr. Riley noted that market forces change over time and one may not want to lock oneself in to preserving all units in all areas of the city into perpetuity. The market needs to be analyzed based upon personal income within that community and the number of available units. One needs to look at the ability of a community to support what units are being built within that community. If WHEDA administers a trust fund, it would prefer that it be a state-wide fund, but currently there is no state trust fund. WHEDA would like to coordinate with any local trust funds and does not see a local trust fund as complicating its efforts. WHEDA would prefer that any local trust fund dovetail with what WHEDA currently offers, so that the trust fund and WHEDA funds could complement each other. GSE (Governor Sponsored Enterprise) reform requests that profits held by Fannie Mae and Freddie Mac be returned to the states, with the individual states, not Fannie Mae or Freddie Mac, deciding how the money will be spent on affordable housing.

Members asked various questions of Mr. Riley and Mr. Luedcke.

The Subcommittee referred to the document prepared by Ms. Sanchez and Ms. Dummer Combs (Exhibit 4). The Subcommittee supported the Uses of Funds, with the addition that funding should include accessibility modifications for all 3 categories. There were no objections.

Mr. Perez noted that having categories (homeownership, rental, homeless) would limit access to funds if one category is used up, but there are still funds available, just in a different category. Ms. Dummer Combs noted that the use of categories is typical across the country; Ms. Sanchez wanted to ensure that all categories receive some funding. Mr. Capp noted that it's a more flexible model to identify the goals every 2 years and then leave it to a board to attain those goals. Mr. Capp noted that WHEDA has set-asides and they have the ability to adjust those allocations, which gives them incredible freedom to respond to needs as they arise.

Mr. Peters noted that the board should have public and departmental comment prior to issuing the final recommendations. Mr. Peters suggests that the board meet annually, instead of every 3 years, and be able to increase or decrease the funding amounts by 5% within each category. The Subcommittee supported the board meeting annually. Ms. Van Duvall supported the Board setting the goals, while Ms. Dummer Combs supported the mandated categories so all categories receive some funds. Ms. Van Duvall endorsed having percentage ranges rather than fixed categories. Mr. Capp endorsed trusting the board to fund programs wisely and not tie their hands too much with an ordinance. Mr. Peters is very leery in trusting a board based upon his services to the disabled community. Ms. Van Duvall said that Council support might be lost if these details are laid out, with Ms. Dummer Combs noting that the opposite might also be true. Ms. Walsh said that the Council would have the final authority to determine how categories would be funded.

Mr. Peters moved, seconded by Ms. Sanchez, for following the 30%, 30% and 40% categories with a variation of 5% either more or less. Mr. Capp suggested setting 3 categories, with a minimum of 20% in each category. Mr. Peters was not supportive. A vote was taken on Mr Peters' motion. The vote failed by a vote of 3-3 (Mr. Capp, Ms. Van Duvall and Mr. Perez voting "no").

*Mr. Capp moved, seconded by Mr. Perez, that 3 categories be created, with a minimum of 20% in each category. A vote was taken on Mr. Capp's motion. The vote failed by a vote of 3-3 (Ms. Dummer Combs, Mr. Peters and Ms. Sanchez voting "no")
Ms. Sanchez asked that this vote be held to the next meeting so she can meet with her staff to see if the compromise is workable. There were no objections.*

4. Eligible recipients within each use category

This was briefly discussed under item #3.

5. Funding allocation among eligible uses

This was briefly discussed under item #3.

6. Administrative body, allocation and monitoring procedures

This was briefly discussed under item #3.

7. Visitability and universal design

This was not discussed due to time constraints.

8. Green design

This was not discussed due to time constraints.

9. Set next meeting date and agenda

Ms. Walsh explained the legislative procedure to Subcommittee members.

Ms. Elmer will send out an e-mail to all Subcommittee members to explain the legislative procedure that the report and ensuing legislation would need to follow, with dates and what is accomplished by going to Committee and Council.

Mr. Peters provided suggested accessibility language (Exhibit 5)

Ms. Van Duvall provided members with a copy of the Housing Authority's Visitability and Sustainable Guidelines and photos of examples of each (Exhibit 6) and the Milwaukee Green Team Report to Mayor Tom Barrett (Exhibit 7).

Ms. Dummer Combs provided members with a copy of the HUD income limits for fiscal year 2005 for the Milwaukee-Waukesha area (Exhibit 8) and a memo dated 4/28/06 on HUD funding to the Continuum of Care (Exhibit 9)

The next meeting will be Tuesday, May 9th from 1 p.m. to 3:30 p.m.

Meeting adjourned: 10:58 A.M.

Linda M. Elmer

Staff Assistant